New studies to call for tighter reins on alcohol industry

By David R. Francis / August 4, 2003

IT'S NOT A HAPPY HOUR for the alcoholic beverage industry. Later this month, the Federal Trade Commission will issue a study on whether the $450,000 the industry spends every hour to advertise alcohol reaches too high a proportion of underage youths.

And next month, the National Academy of Sciences (NAS) plans to release a report to Congress on scientifically validated, effective programs to reduce and prevent underage drinking.

“The industry is very concerned that the worm is turning,” says George Hacker, director of the Alcohol Policies Project at the Center for Science in the Public Interest in Washington. Already the National Beer Wholesalers Association has written members of Congress, charging the NAS panel with having views on taxation and advertising that would “vilify a legal industry,” while suggesting “radical agendas” and “antiquated solutions.”

Aware of the alcohol industry's enormous lobbying clout and campaign largess, more than 130 members of Congress signed a letter in June to the NAS president warning that the $500,000 appropriation for the study was not aimed at producing "a primer of suggested public-policy changes intended to adversely affect the beverage industry.”

How many of these members really thought carefully about what they were signing is an open question. Among youths, alcohol-related deaths outnumber those connected to illicit drugs by a ratio of 6 to 1, according to government data. Alcohol is often a factor in the four leading causes of death among persons ages 10 to 24 - motor-vehicle crashes, unintentional injuries, homicide, and suicide.

In 1999, 21 percent of 15- to 20- year-old drivers killed in automobile accidents were intoxicated. Alcohol is connected to two-thirds of sexual assaults and cases of acquaintance or “date” rape among teens and college students, according to the US Department of Health and Human Services.

It is well known that pregnant women shouldn’t drink for the sake of their babies. It is less known that medical research indicates that alcohol - a "poison" to new cells - can damage the physical and intellectual development of fast-growing teenagers. Because alcohol is "mind-altering,” it arrests the emotional and social development of youths,"
says Robert Reynolds, director of the Center for Policy Analysis and Training in Calverton, Md, a group striving to get underage-drinking laws enforced.

The $116 billion industry is right to suspect that the reports could damage its business.

Underage drinking accounts for 20 percent of all alcohol consumed, reckons a study published in The Journal of the American Medical Association last February. Mr. Hacker calculates that teens consume at the least 8.4 billion cans and bottles of beer each year. Many cans now contain 20 ounces of high-octane malt liquor, compared with traditional 12-ounce cans of beer in a six-pack.

Moreover, a child starting to drink before age 15 is much more likely to become a steady customer, indeed an alcoholic, notes the National Institute on Alcohol Abuse and Alcoholism.

When quizzed, about half of Americans say they have not had a drink in the last 30 days. They are essentially nondrinkers. Thirty-six percent abstain completely, finds a Gallup Poll.

Of those who do drink regularly, 15 percent become addicted. That's the same addiction rate as for cocaine users. The difference is that cocaine addicts much more rapidly than alcohol.

When all the damage resulting from underage drinking is added up - medical expenses, lost earnings from illness, premature death, crime, auto crashes, fires, etc. - it comes to $53 billion annually, calculates the Pacific Institute for Research and Evaluation, parent of Mr. Reynolds's center. (Government estimates put the national cost of alcohol to society as a whole at more than three times that amount.)

The NAS study, experts say, will include some form of these recommendations:

• A substantial tax increase on alcoholic beverages. In real terms, alcohol taxes are about a third of what they were 30 years ago. Resulting higher prices would affect consumers of all ages. But a 10 percent price increase would result in a 4 percent drop in consumption by youths, estimates Henry Saffer, an economist with the National Bureau of Economic Research in New York. Further, binge drinking by youths - an increasing problem - would decrease by 5 percent.

• Restraints on alcohol advertising. In 2001, industry spending on radio, TV, print media, outdoor signs, and point-of-purchase advertising rose to $1.5 billion from about $1.1 billion in 2000. Mr. Saffer figures other promotions - sports and music events, etc. - match that sum.

Saffer says a complete ban on advertising would reduce alcohol consumption by 25 percent and binge drinking by 40 percent. That action is unlikely. More feasible may be controls designed to limit exposure of alcohol advertising to young people David Jernigan, research director of the Center on Alcohol Marketing and Youth, says 12- to 20-year olds are more likely to see beer ads than those for juice, gum, jeans, chips, or sneakers.

In magazines such as Vibe, Spin, Rolling Stones, Sports Illustrated, Allure, In Style, that age group will be exposed to 45 percent more beer ads than those older. "This stuff is placed where parents aren't likely to see it," says Mr. Jernigan.

• Limiting access to alcoholic beverages and stiffer law enforcement.

The nation has tackled smoking. But "there is no comprehensive or clear federal policy
agenda to reduce underage drinking," notes Mr. Hacker.

Given the political power of the liquor industry, experts wonder if Congress will use the reports to devise such an agenda.